MICHIGAN DEPARTMENT OF COMMUNITY HEALTH
INSTRUCTIONS FOR TESTING
NCPDP ENCOUNTER TRANSACTIONS

The Michigan Department of Community Health (MDCH) requires submission of encounter data for pharmacy services using transaction formats specified by the National Council for Prescription Drug Programs (NCPDP). The NCPDP Telecommunication Standard Version 5.1 and the NCPDP Batch Standard Version 1.1 are the officially designated standards for reporting pharmacy claims under the Health Insurance Portability and Accountability Act (HIPAA). Covered entities who must report to MDCH pharmacy services provided to MDCH consumers using the NCPDP format include the following types of health plans:

- Medicaid Health Plans (MHPs),

- County Health Plans (CHPs),

- Other capitated health plans.

In order to communicate electronically with the MDCH Data Exchange Gateway (DEG), you must first obtain an Identification Number and password from the MDCH Automated Billing Unit. For general instructions on how to obtain that Identification Number and password, please refer to the MDCH Electronic Submission Manual, which can be found on the web at www.michigan.gov/mdch/ >> Providers >> HIPAA >> Health Plan Materials >> Electronic Submissions >> Electronic Submissions Manual – October 4, 2002. You are encouraged to become familiar with this manual, as it is a valuable resource for electronic claims submission.

Specific instructions and other references related to HIPAA compliance and transactions may be found at www.michigan.gov/mdch/ >> Providers >> HIPAA >> Health Plan Materials >> Companion Guides/Data Clarification Documents, including the MDCH Companion Guide to the NCPDP Encounter transaction. This Companion Guide provides **essential details** regarding MDCH data requirements for HIPAA-approved NCPDP Encounter transaction. **Please note that these documents contain only those data elements which require further explanation beyond what the Implementation Guides contain**. Further details regarding the NCPDP transaction may be found at www.ncpdp.org.

Once you have been assigned a User Name and password, we invite you to post a test file to our DEG, containing a batch of test NCPDP encounter transactions. Every time you post a batch of test transactions to our DEG, you need to send an Email notice to us, identifying yourself by your submitter ID and providing your contact information. After the test encounter file has been received, our system will immediately attempt to translate the file and post an NCPDP response file to the submitter's mailbox. If your test file generated a batch level error, you will receive an **E** as the Transmission Type in the response header. Otherwise, you should receive an **R** as the Transmission Type in the response header, along with individual transaction level responses. The NCPDP response file is normally produced within a few minutes. Submitters should check their mailbox and retrieve and review this response file. If the test batch of encounters has been accepted, the batch will be loaded to our test NCPDP encounter processing system. That load process will then create edit reports for our analysis. The test encounter processing system will also post an error file to the submitter's mailbox, for retrieval and analysis. After we complete our internal review, we will contact you by Email, providing you with a summary analysis of our test processing, noting whether the NCPDP encounter transactions were properly received and processed. If we are unable to translate the file due to fatal errors or other problems, we will contact you to investigate those problems.

Please follow these steps to perform Business-to-Business Testing with MDCH for the NCPDP encounter transaction:

1. Create a test file of NCPDP encounter transactions. That file should include various services (different providers, patients, and drugs), no more than 100 encounters, and should reference actual, valid MDCH-assigned beneficiary IDs or Client Identification Numbers (CIN). Each file must include a Batch Transaction Header, containing one or more NCPDP transactions. An NCPDP transaction consists of a Transaction Header and various NCPDP segments. Please refer to the NDPDP Encounter Companion Guide for further guidelines on expected segments and fields. For the test NCPDP encounters, you must specify **T** in the File Type field (Field 702) of the Batch Transaction Header. For each test file that you create, store the file on your PC or on a shared network location that is easily accessible (e.g., on a mapped drive).

2. To submit the NCPDP encounter test file, all plans must log onto the DEG (Data Exchange Gateway), using the connection information supplied by MDCH, then enter the following information:

   > PUT *{your drive\directory\filename}* 5067T@DCHEDI. The drive, directory and filename combination should be the full path to the location on your PC (or network) where the file to be tested is located. The following example illustrates this command:

   > PUT C:\CATALOG\testfile.txt 5067T@DCHEDI

   After you have issued the PUT command and the NCPDP file has been transferred, it should be immediately translated. You can enter a DIR command, with the name of the file sent, to see the NCPDP response file. You can download that NCPDP response file by entering a GET command; be careful to change the file name for the destination system so the file you sent is not written over, since the response file will have the same name as the uploaded input file.

3. You *must* send an Email, including a contact name and telephone number in your organization, to the following contacts to inform MDCH that a test file has been submitted:

   <MDCH Encounter Testing> MDCHEncounterTesting@Michigan.gov;
   <Daryl Katalenich> KatalenichD@Michigan.gov;
   <Felix Carter> CarterF1@Michigan.gov;

   Please use a subject line of "NCPDP Encounter Test File for DCH00XX" where DCH00XX is your MCDH-assigned provider ID.

4. MDCH will perform a preliminary review of the translated output from your test file. If the file is accepted by the translator, it will be loaded into the test encounter processing system. If the test file is rejected, we will advise you of problems contained in the file that prevent further testing and will provide guidance to modify the file according to MDCH specifications.

5. Once the test file has been accepted (i.e., no rejection noted in the NCPDP response file), the NCPDP encounter transactions will be loaded into our test systems and error return file(s) will be created. MDCH will review these error return files and provide you with a summary of our analysis. These error return files may be retrieved from the submitter's DEG mailbox, via an ftp GET command, using the file name (APPL ID) of 5066 for the NCPDP encounter error return file. You may need to specify use of a binary file type in your FTP software if you do not want control characters (e.g., CR, LF) included in the encounter error return file.

   Detailed instructions for retrieval and interpreting these error files are contained in a presentation titled "NCPDP Response & Error Report File" and can be found on the web at www.michigan.gov/mdch/ >> Providers >> HIPAA >> Health Plan Materials >> Presentations.

6. After review of the test file processing has been completed, MDCH will provide you with our assessment and will be available to answer any questions that you may have. It typically takes about 3 to 5 business days to provide analysis summary report and Email, based on each batch of test NCPDP encounters we receive.